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Farm Broadcasters Letter



Letter No. 2252

COMMENTARY RECORDS

March 6, 1986

SIGN-UP DELAYED

The beginning of the sign-up period for 1986 programs for wheat, feed grains, rice and cotton set for March 3 was delayed, because the Commodity Credit Corporation ran out of funds. However, the President is expected to sign a \$5 billion emergency appropriation passed by Congress March 5 to fund the programs. Program sign-ups will conclude on April 11, according to the U.S. Department of Agriculture.

THAT 4.3 PCT. REDUCTION

Cash payments to producers for commodity loans, deficiency payments and diversion payments for 1986 crops will be reduced by 4.3 pct. under the Gramm-Rudman-Hollings Act, according to the U.S. Department of Agriculture. This effectively will reduce price and income support levels, although in-kind payments and acreage conservation reserve payments will not be affected.

DEFICIENCY PAYMENT FOR CORN

The deficiency payment for corn is estimated at \$1.03 a bushel, according to the U.S. Department of Agriculture. Producers may request 40 pct. of their total anticipated deficiency payment at sign-up. Three-fourths of the advanced deficiency payments are payable in cash; the other fourth is payable in kind. The rate for the 2.5 pct. paid land diversion for corn producers is set at 73 cents a bushel. Advanced deficiency and diversion PIK payments will be available between May 1 and Sept. 30, 1986.

FARM BILL CUTS NEW-CROP SUPPORTS

The 1985 farm bill is cutting new-crop price supports. On Jan. 13, the 1986 loan rate for corn was set at \$1.92 a bushel, the lowest level possible under the new law, according to the U.S. Department of Agriculture. Loan rates for wheat and other feed grains were reduced similarly. Farm prices should fall along with the loan rate reductions. Target prices are frozen by law at their 1985 levels - \$3.03 for corn. Thus, potential deficiency payments are up sharply since last year, particularly since large portions are not subject to the \$50,000 payment limitation.

EC IMPORT LEVIES

The European Community's levies on grain in the coming year are likely to climb to record highs, according to the U.S. Department of Agriculture. At times, the levies may become so large that importers will have to pay more for levy than for the cost-plus-freight to bring in foreign grain. Since early 1985, EC import levies have been rising largely as a result of declining world prices and the weakening dollar. If world prices parallel the drop in U.S. wheat and corn loan rates for 1986, the EC levy one year from now will have risen further.

SOYBEANS TO USSR	On March 3, private exporters reported to the U.S. Department of Agriculture export sales of 260,000 metric tons of soybeans for delivery to the USSR during the 1985-86 marketing year. Sales of soybeans to the USSR now total 1,411,800 tons. Sales of wheat and corn to the USSR this marketing year now total 6,304,800 tons, of which wheat is 152,600 tons and corn is 6,152,200 tons.
U.S. CORN EXPORTS TO JAPAN TO DECLINE?	U.S. corn exports to Japan could decline due to large availabilities of inexpensive, good-quality Argentine and South African corn, according to the U.S. Department of Agriculture. Japanese imports of U.S. corn may slip from the 1984/85 level of 11.4 million tons to 9.6 million in 1985/86.
FARM BILL MAY STIMULATE EXPORTS	The 1985 farm bill's various export promotion mechanisms will help U.S. corn and sorghum sales, according to the U.S. Department of Agriculture. The biggest single stimulus will come from the reduced loan rates for coarse grains. High loan rates, along with other factors such as the high-valued dollar, caused U.S. corn sales to fall 17 pct. from 1981/82 to just over 41 million tons in 1985/86. Meantime, world exports fell only 8 pct., as other exporters appeared willing to expand sales at almost any cost. Sales during the summer quarter may suffer considerably as importers delay purchases in anticipation of sharply reduced grain prices. U.S. exports during 1986/87 may rise substantially.
CORN & SORGHUM EXPORT FORECAST	As of mid-February, the 1985/86 U.S. coarse grain export forecast remained unchanged at 49.1 million tons, the lowest level in 10 years, according to the U.S. Department of Agriculture. Prospects for increased corn exports to Brazil were offset by increased competition from large barley supplies in the European Community, large corn supplies in South Africa and Argentina, and increased supplies of EC, Canadian and Australian feed wheat.
7-5/8 PCT. INTEREST RATE	Commodity loans disbursed in March by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 7-5/8 pct. interest rate. The new rate is down from 7-3/4 pct.
FEED GRAIN ACREAGE REDUCTION	The required acreage reduction for feed grain participants is 17.5 pct., plus a paid in-kind land diversion of 2.5 pct., according to the U.S. Department of Agriculture. An "underplanting" provision gives producers deficiency payment protection on 92 pct. of their permitted plantings if they plant at least 50 pct. of their permitted acreage to the program crop. Cross compliance will not be required by farmers participating in the 1986 wheat, feed grain, cotton and rice programs.
U.S. WHEAT EXPORT FORECAST	U.S. wheat export forecast as of mid-February remained unchanged from a month ago, at 25.9 million tons. According to the U.S. Department of Agriculture, it's the lowest level since the 1976/77 marketing year. The accumulated sales and exports through Feb. 20 totaled 20.8 million tons, nearly 40 pct. below last year's level of 33.9 million tons. The bulk of the deficit was due to reduced purchases by the Soviet, China, and Brazil. The current U.S. forecast is supported by the lowering of Argentina's estimated export availabilities.

FROM OUR
TELEVISION
SERVICE

FEED OUTLOOK - I...U.S. feed grain production in 1985 is estimated at 274 million metric tons, up 16 percent from 1984's total. USDA economist David Hull examines the feed grain situation and factors contributing to the current outlook. Vic Powell interviews. (136)

FEED OUTLOOK - II...The 1985 Farm Bill and details of its programs are the most influential factors in the outlook for grain producers. USDA economist David Hull continues his discussion on the feed situation and outlook and how the farm bill will affect it. Vic Powell interviews. (137)

WHEAT OUTLOOK...Fewer acres of wheat will likely be harvested this year, but producers are expected to plant their more productive areas, partially offsetting the acreage cut called for in 1985 farm bill. USDA economist Allen Schienbein describes the current situation and outlook for wheat. Vic Powell interviews. (138)

ELECTRIC CHORE TRACTORS...Research shows that electrically powered vehicles may have a place on the farm and can help farmers reduce machinery costs. Les Christianson, University of Illinois, focuses on the popularity of these vehicles. Gary Beaumont interviews. (139)

ARS RESEARCH REPORTS...Scientists with USDA's Agricultural Research Service have developed a compound treatment that causes fruit trees to prune themselves, and are studying a new bacteria that causes citrus canker - in the hopes of controlling this disease. Will Pemble reports. (140)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1501...(Weekly 13½ min documentary) In most areas springlike weather is here or coming soon. When the weather warms up, most of us start thinking about getting the garden in shape. Brenda Curtis talks with a gardening expert.

AGRITAPE/FARM PROGRAM REPORT #1490...(Weekly reel of news features) USDA news highlights; Uncertainty in the livestock sector; Storing grain properly; A program for farmers in trouble; New sheep parasite discovered.

CONSUMER TIME #983...(Weekly reel of 2½-3 min features) Plants are for everyone; Watering indoor plants; Early lawn care; Preparing your garden site; Selecting vegetable plants.

USDA RADIO NEWS SERVICE...Thurs, Mar. 13, Sugar and sweeteners; Fri, Mar. 14, Milk production, Cattle on feed; Mon, Mar. 17, Agricultural outlook report; Tues, Mar. 18, Tobacco outlook, Crop and weather update; Wed, Mar. 19, Dairy outlook; Thurs, Mar. 20, Coverage of Ag. Day activities, Catfish, World agriculture; Fri, Mar. 21, Hogs and pigs report. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EST each working day.

OFF MIKE

Here's the first sentence in a letter we received from Ray Kremer, former NAFB Senior Sales/Marketing Director, now retired: "Thus far my retirement...has not been too enjoyable." Ray goes on to report he developed acute vascular problems in his lower left leg and foot shortly after Jan. 1. Blood poisoning had developed, and it looked like amputation would be necessary. However, a specialist said to let him do an exploratory operation, and after six hours of doing just that, he found the blockage, corrected it, and Ray is home after a month's recuperating in the hospital. He says he'll know for sure in 5-6 weeks, but he's looking for brighter days ahead. Us too, Ray ... Joyce Cutright (KWT0, Springfield, MO) is leaving the station to become Director of Marketing for the Farm Credit Services of SW Missouri, also in Springfield. She takes up her new duties, March 17 ... Eric Parsons is now in Washington, D.C. and is working with Nelson Robinson in USDA/ASCS Radio and Television. Eric had been the AgriBusiness Director at WKBT-TV, LaCrosse, WI ... Garth Clark also is in Washington, D.C. He left Ag Day in Lafayette, IN, to seek employment in media work here and to be with his fiancée Colleen Kelly, who is the new Head of Information and Publications at University of Maryland. Bruce Braun is the new anchor at Ag Day. Bruce was at KELO-AM-TV, Sioux Falls, SD ... Gary Truitt (Agribusiness Net, Indianapolis, IN) was in town with a group of Indiana Farm Bureau members. He had a chance to interview Acting Sec'y of Agric Frank Naylor, and we had a nice visit, too ... Lynn Ketelsen (Linder Network, Willmar, MN) left for Paris, March 8, to spend a week covering the Paris Agriculture Show ... We have free copies (while the supply lasts) of the "1986 Fact Book of U.S. Agriculture." It's packed with excellent information and statistics about U.S. agriculture. If you want a copy, give us a call or drop us a note.

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Farm Broadcasters Letter
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